factories elsewhere with immense capital, particularly as the present price of rubber is low. But, before expressing a definite opinion, the pros and cons have to be considered.]

39. Work of Co-operative Societies.

MR. N. PAPPU PILLAI (*Municipal Council, Mavelikara*) said that so far 1,806 co-operative societies had been registered in Travancore, out of which 1,784 societies had started work. But except in the case of a few societies, the working of the societies was not at all satisfatory. The percentage of arrears of loans was increasing. The percentages of arrears under principal and interest, which were 26 and 28, respectively, in 1104, had increased to 32 and 34, respectively in 1105. The arrears of agricultural societies in 1104 and 1105 were 35 and 39 per cent. respectively. The ability of the members to repay loans was decreasing day by day. They had also no mind to repay the debts. The cases filed in the Registrar's office against defaulters were innumerable. Members were becoming more and more selfish and quarrelsome. The factions among the members in certain societies had even led to criminal cases. In short, the condition of primary societies was quite deplorable. The main reasons for this state of affairs were the ignorance of the members about the principles of co-operation, the lack of facilities for acquiring the same, want of sufficient Supervisors and supervision, the inefficiency of the Supervisors and the lack of Government help. For the purpose of supervison, there were at present one Registrar and his Personal Assistant, twenty-seven Inspectors and twenty Supervisors of Co-operative Unions. Of these, the Inspectors and the Supervisors were engaged in audit work from the first of Mithunam to the end of Thulam. They spent the next three months in getting ready the audit report and for the remaining four months they did no work, except attending to the preliminaries connected with the audit work. Thus they had no time to remove the defects in the working of the societies or to issue instructions to the members on the principles of co-operation. The head of the department had no time to supervise their work. It was two or three years since the Registrar visited the Mavelikara taluk.

In 1105, the Inspectors audited 707 societies and the Supervisors 864 societies. At present each Inspector had to supervise 70 societies. This was too much for one officer. The number of Inspectors should be increased. In Madras, the department was much better staffed. In 1915, for 1,748 societies in Madras there were 60 Inspectors, against 27 Inspectors for 1,806 societies in Travancore at the present day. The strength and efficiency of the staff of the Co-operative Department in the State should be increased.

The expenditure on the department was also very small compared to other Indian Provinces. While the expenditure per head of population ranged between 14 annas to Re. 1-12 annas in the British Indian Provinces, the expenditure per head of population in Travancore was only 3½ annas. The grants awarded to Supervising Unions were being

reduced. There was only one Supervisor for a Union which had one hundred societies under it. The Mavelikara Supervising Union was not getting any financial help from the Government. The grants to Unions should be enhanced.

In reply to a representation at the 25th session of the Assembly, regarding the deplorable condition of the Co-operative Societies, the Government had promised to appoint a committee to investigate and report about it. Though many other committees were since constituted this question had been forgotten. The question of appointing this committee should engage the immediate attention of the Goverament.

Under share capital and other items the people had deposited nearly Rs. 63·75 lakhs in co-operative societies. But the Government did not bestow sufficient attention in the auditing of the accounts of the societies. Out of 1,784 societies only 707 societies were audited by the Inspectors during 1105, while 200 societies were arranged to be audited by others and the remaining by the Supervisors. This was not at all satisfactory. There were some defalcation cases and the people were losing confidence. This was quite harmful.

There was no institution in the State to impart co-operative training. This was a great defect. In Madras there was a Central Training School besides six other regular schools. Hence at least one Co-operative school should be established in Travancore for the present. Further, text books on co-operative subjects should be prescribed in all the schools and the teaching of co-operative principles should be made compulsory in schools. This had been done in the neighbouring State of Cochin. Co-operative books should be prescribed in training schools also, as most of the co-operative workers of the State were school teachers.

There was want of union in the working of Co-operative Unions and Taluk Banks. The committee proposed to be appointed should look into this question also. There was also want of uniformity in the working of the several Unions. This defect should also be remedied with the help of the above committee. The Supervisors should not be engaged for audit work. They should at least be made fully available for inspection work.

The work of the arbitrators was not satisfactory. Some of the arbitrators kept the cases sent to them for a very long time and then said that they had no time. To remedy this, proper and responsible persons should be appointed as arbitrators.

The member finally spoke about the necessity for starting more distributive societies. Out of the 1,806 societies in the State, only 25 societies were doing distributive work. The committee suggested to be appointed should look into this question also.

DEWAN'S REPLY: Mr. Pappu Pillai. You have, it seems to me, covered the whole ground of the work of the Co-operative Department. I may say that I appreciate the intimate knowledge of the working of co-operative societies your representation has made manifest.

Many of the defects that you have pointed out can be remedied only by a change of mentality in the people, as you yourself would concede. For instance, you said that members who take loans from these co-operative societies have very often no mind to repay the debts. In the same way, you said that arbitrators to whom cases are sent for decision keep the cases for a long time and then say they have no time. There are also a few other defects which, you pointed out, can all be traced to the same source. These are matters in which, as you yourself have conceded, and as everybody will concede, Government cannot directly do anything. All that we can hope is that, as people become more and more convinced of the advantages of co-operation and become imbued with the real spirit of co-operation, these defects will vanish of themselves. You compared the position in Travancore with the position in British India, especially with regard to audit and supervision, and also the training of the supervising staff. I understand that, in British India, schools and other institutions for training co-operative Inspectors and Supervisors came into existence after they had experience of co-operative work for 20 years. Again in British India, each society has to pay some fees for having their accounts audited; whereas here, as you yourself know, by a section in the Regulation this audit and supervision of accounts has to be done gratis. These are certain circumstances which make the position more understandable. As it is, Government are not unaware of the fact.

Then you pointed out that the supervision is not as effective as it can be. It is because of that circumstance that Government have this year added four Inspectors and a few clerks to the already existing supervising staff of the department. You will agree that it may not be possible for Government all at once to have a large number of officers appointed for this purpose. It can be done only gradually. But I may assure you that the interests of co-operation will neither be ignored nor neglected by the Government.

40. Economic Depression.

Mr. N. K. PADMANABHA PILLAI (*Neyyattinkara taluk, Group I*) speaking in Malayalam referred to the great economic depression that prevailed in the country and welcomed the appointment of the two committees mentioned in the Dewan's opening address, one to investigate and report about the present trade depression and the second to enquire into the condition of the factory industries in the State. The member said that Government should not wait for the committees to submit their reports, but should even in the meantime do all in their power to relieve the people from the hardships suffered by them as a result of the present situation. He made the following suggestions in this behalf :—

1. The additional allotment of Rs. one and a half lakhs for agricultural loans was not sufficient. At least Rs. 5 lakhs should be additionally provided for the purpose during the current year. Government should also see that *bona fide* agriculturists get the benefit of